

Executive Directors Report

Monday March 11, 2024

- Cost of Living working group
- Investment Contracts/Transfer
 - Passive
 - Transition
 - Global multi-sector
 - Securities Lending program
- Investment Committee Meeting
 - Transfer update
 - Investment contracts/awards
 - Policy updates
- Mercury PR
- IT integration
 - On going
- Legislative Tracking
 - New Session
- Coordination with DPB
- Legal Priorities
- Continued transfer discussion with DOI
- HMFA
- Ethics – Ongoing
- Coordination with Treasury Admin
 - Fiscal
 - HR
- Personnel Priorities Onboarding

Chief Investment Officer & Chief Financial Officer Report

March 11, 2024

I. PFRSNJ Update

- a. Estimated December 2023 performance returns

II. HMFA Update as of January 2024

- a. 6187 loans outstanding
- b. Total mortgage balance of \$1,885,757,889

III. Conversion Update

- a. Last conversion meeting with DOI was on March 8, 2024
 - i. Trial split calculation using 2/29/24 month end closing information
 - ii. Finalizing substitutions
 - iii. Finalizing agreement on process
- b. Team is making a lot of progress with our Custodian
 - i. All 73 accounts have been opened
 - ii. We have opened 925 of the 1418 markets required for our portfolios across the globe
 - iii. Will begin running parallel this week
 - 1. Simulation of holdings and all trades
 - 2. Live test of Compliance Tool
 - 3. Live test of Accounting and Performance reporting

- c. We are continuing our work with our partners in the Division of Pension and Benefits planning for June 2024. PFRSNJ will be supplying the last quarter's financial information to create the State's FY Annual Reports
 - i. Agreement on reporting and data requirements for DPB
 - ii. Agreement on reporting and data requirements for PFRSNJ
 - iii. Mutually agreeing on timing and roles
- d. The Investment Committee has reviewed over a dozen mandates related to Global Multi Sector, Passive Strategies, Cash Sweep Vehicles, Securities Lending and Proxy Policy
- e. Staffing

IV. Audit Update

- a. Finalizing FY2023 audit
- b. Continuing discussions on FY2024 audit, as PFRSNJ will be delivering a portion of the financial information in July 2024 to create the Annual Report and Certified Financials

V. Expenses for Approval



ED DONNELLY
Chairman

GREGORY PETZOLD
Executive Director

MEMORANDUM

TO: Ed Donnelly, PFRSNJ Chair
CC: Gregory Petzold, PFRSNJ Executive Director
FROM: Nels J. Lauritzen, Legal Affairs Deputy Director
DATE: March 11, 2024
SUBJECT: Legal Affairs Deputy Director's Report – March 2024

- General Counseling
 - General Counseling to Executive Director, Board Secretary and CIO/CFO
- Benefit Administration/Board Counseling
 - Review of Ordinary Disability and Accidental Disability Retirements
 - Designated new Office of Administrative Law matters for assignment
 - Case count: as of March 5th there were: 140 matters pending in the Office of Administrative Law, 22 matters in the Appellate Division, 1 matter in Superior Court, 2 matters pending in NJ Supreme Court and 2 matters in Federal Court.
- Outside Counsel firm transition of OAL cases
- Case Tracking System
- Subpoenas

N.J.L.